

UNITED STATES DISTRICT COURT
DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO
RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO,
et al.,

Debtors.¹

PROMESA

Title III

No. 17 BK 3283-LTS

(Jointly Administered)

Re: ECF No. 20687

**THE PUERTO RICO FISCAL AGENCY AND FINANCIAL ADVISORY
AUTHORITY'S STATUS REPORT REGARDING THE GOVERNMENT
OF PUERTO RICO'S RECENT ACTIVITIES AND RESPONSE TO
THE ONGOING COVID-19 PANDEMIC**

To the Honorable United States District Judge Laura Taylor Swain:

The Puerto Rico Fiscal Agency and Financial Advisory Authority ("AAFAF"), through its undersigned counsel, submits this status report on behalf of the Government of the Commonwealth of Puerto Rico (the "Government") in response to the Court's *Order Regarding Procedures for May 18-19, 2022, Omnibus Hearing* [ECF No. 20687] and states as follows:

¹ The Debtors in these Title III cases, along with each Debtor's respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor's federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the "Commonwealth") (Bankruptcy Case No. 17-BK-3283 (LTS)) (Last Four Digits of Federal Tax ID: 3481), (ii) Employees Retirement System of the Government of the Commonwealth of Puerto Rico ("ERS") (Bankruptcy Case No. 17-BK-3566 (LTS)) (Last Four Digits of Federal Tax ID: 9686), (iii) Puerto Rico Highways and Transportation Authority ("HTA") (Bankruptcy Case No. 17-BK-3567 (LTS)) (Last Four Digits of Federal Tax ID: 3808), and (iv) Puerto Rico Sales Tax Financing Corporation ("COFINA") (Bankruptcy Case No. 17-BK-3284 (LTS)) (Last Four Digits of Federal Tax ID: 8474); (v) Puerto Rico Electric Power Authority ("PREPA") (Bankruptcy Case No. 17-4780 (LTS)) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority ("PBA") (Bankruptcy Case No. 19-BK-5233-LTS) (Last Four Digits of Federal Tax ID: 3801).

PRELIMINARY STATEMENT²

Since the March Report, following the Plan's Effective Date, the Commonwealth has continued to maximize its fresh start in order to achieve a sustainable economic recovery. Specifically, the Government has (i) sought—and obtained—the approval of renewable energy projects and (ii) obtained approval of numerous additional reconstruction projects related to damages sustained as a result of Hurricanes Irma and Maria and the earthquakes that commenced in December 2019 (including the reconstruction of highways and sports parks).

In addition to these efforts, the Government, through the Puerto Rico Department of Health (“DOH”) and other entities' hard work, has continued monitoring the new COVID-19 Omicron subvariants, which have caused a global increase in positivity rates,³ and has implemented a series of initiatives to curb the virus' transmission, particularly in public schools. Although these new subvariants have caused increases in infection rates, the vast majority of these cases have not resulted in fatalities. This is due, in part, to the Commonwealth's vaccination efforts, and certain new treatments such as antiviral and monoclonal treatments.

The Government also continues to promote Puerto Rico as a desirable tourist destination. For example, on March 30, 2022, the Puerto Rico Tourism Company (“PRTC”) announced the third edition of the *Gran Feria de Turismo Interno*, an event that was held on April 2 and 3, 2022, to promote domestic tourism among Puerto Rico's residents.⁴ Furthermore, since the March

² Defined terms not otherwise defined herein shall have the same meaning given to them in *Status Report of the Puerto Rico Fiscal Agency and Financial Advisory Authority Regarding the Government of Puerto Rico's Recent Activities and Response to the Ongoing Covid-19 Pandemic* (the “March Report”) [ECF No. 20429].

³ See World Health Organization Website, <https://covid19.who.int/table> (last visited May 15, 2022); see also New York Times Website, <https://www.nytimes.com/interactive/2021/world/covid-cases.html> (last visited May 15, 2022).

⁴ See Puerto Rico Tourism Company Press Release, *COMPAÑÍA DE TURISMO LLEVARÁ A CABO TERCERA EDICIÓN DE FERIA DE TURISMO INTERNO* (March 30, 2022), <https://prtourism.com/2022/03/30/compania-de-turismo-lleva-a-cabo-3ra-edicion-feria-turismo-interno/>.

Report, the Government has observed an increase in tourism, resulting in an unprecedented \$13 million in room tax revenues for March 2022,⁵ as well as airport traffic numbers that far exceeded 2020 and 2021 numbers for the same March-April time period. *See Exhibit A.* Puerto Rico has also been receiving several new cruise ships, which should lead to a positive economic impact.⁶

The Government remains confident that these developments continue to contribute to Puerto Rico's path to economic recovery.

I. Executive and Administrative Orders Related to the COVID-19 Pandemic

1. As detailed in previous reports, the DOH maintains a “dashboard” to provide daily updates on COVID-19 related statistics.⁷ Over the past weeks, the Government has observed a resurgence in COVID-19 infections, with a COVID-19 positivity rate of approximately 27.69% as of today.⁸ Out of a total of 130,847 new positive cases since the March Report, 0.070% of such cases have been fatal.

2. Despite the low percentage of fatalities among the positive cases, the Government continues its commitment to continue protecting the Commonwealth's residents and visitors and, since the March Report, has implemented measures in furtherance of such endeavors, particularly seeking to protect students and public-school personnel.

⁵ See Puerto Rico Tourism Company Press Release, HISTÓRICOS NÚMEROS DE RECAUDOS Y OCUPACIÓN PARA LA INDUSTRIA TURÍSTICA (April 13, 2022), <https://prtourism.com/2022/04/13/numeros-ocupacion-marzo/>.

⁶ See Puerto Rico Tourism Company Press Release, CRUCERO NORWEGIAN SKY LLEGA A PUERTO RICO (May 11, 2022), <https://prtourism.com/2022/05/11/crucero-norwegian-sky-llega-a-puerto-rico/>.

⁷ <https://covid19datos.salud.gov.pr/>.

⁸ COVID-19 In Figures In Puerto Rico, <https://covid19datos.salud.gov.pr/> (last visited May 17, 2022).

3. Among such measures, on March 25, 2022, Governor Pedro R. Pierluisi (the “Governor”) issued Executive Order OE-2022-023 (“Executive Order 23”)⁹ to extend the terms of Executive Order OE-2021-021, which provided for expedited contracting/purchasing procedures to prepare public schools for their reopening. Contracts granted by virtue of Executive Order OE-2021-021 were to expire on June 30, 2022. Executive Order 23 extended such term until December 31, 2022.

4. The DOH also began preparing periodic reports on active COVID-19 cases in the public schools in order to promptly identify cases and reduce transmission among students and public-school personnel.¹⁰

5. On May 2, 2022, the DOH announced an initiative, through its Office of Epidemiology and Investigation, to facilitate free COVID-19 testing to the entire public-school community, by allowing each school’s health authority to refer testing to select labs.¹¹

6. Further, the DOH has also continued reiterating the importance of vaccination¹² and has issued official communications to inform the Commonwealth’s residents of possible COVID-19 treatments, such as the antiviral and monoclonal treatments, which have proven successful in preventing severe symptoms, hospitalizations and deaths for patients, along with directories of facilities to provide such treatments.¹³

⁹ See Fortaleza Press Release, GOBERNADOR ANUNCIA NUEVAS ÓRDENES EJECUTIVAS SOBRE EL COVID-19 (February 13, 2022), <https://www.fortaleza.pr.gov/comunicados/gobernador-anuncia-nuevas-ordenes-ejecutivas-sobre-el-covid-19>.

¹⁰ See DOH Website, INSTITUCIONES EDUCATIVAS, <https://www.salud.gov.pr/CMS/409>.

¹¹ See DOH Press Release, ¡EN LA ESCUELA, LA PRUEBA VA POR LA CASA! (May 5, 2022), https://www.salud.gov.pr/laboratorios_certificados.

¹² See DOH Press Release, COVID-19: VACUNAS, (April 13, 2022), <https://www.salud.gov.pr/CMS/221>.

¹³ See DOH Press Release, TRATAMIENTOS PARA COVID-19, (April 27, 2022), <https://www.salud.gov.pr/CMS/321>.

7. Moreover, on May 12, 2022, the DOH issued new guidelines to follow after a positive COVID-19 test result. Through these guidelines, among other things, the Government (i) modified the quarantine protocol recommendations to five (5) days after the receipt of a positive COVID-19 test result, if the patient is fully vaccinated, and ten (10) days if the patient is not vaccinated, and (ii) issued recommendations to follow for cases where a patient does not see improvements in their health.¹⁴

8. The Government continues working closely with experts from various sectors to monitor the virus and to adopt or modify any necessary measure or restriction that may be required on a timely basis.

II. Status of COVID-19 Vaccination Process, Infections, and Hospital Capacity

9. The Government also continues to promote vaccination, including booster-shots, as the best way to combat COVID-19's spread. As of May 16, 2022, the DOH has administered 5,629,134 doses of the COVID-19 vaccines and estimates that 87.3% (almost 2.7 Million) of all eligible residents in Puerto Rico have been fully vaccinated and over 95.7% (over 2.9 Million) have received one dose.¹⁵

10. As stated in the March Report, the Government continues promoting several programs to reach and encourage eligible individuals to get vaccinated, which efforts have helped to achieve palpable favorable results. As of today, Puerto Rico has:

- Had 313,657 confirmed cases, 295,333 probable cases, and 4,257 reported deaths.
- A total of 1,222 ventilators (adult and pediatric) are in stock and available to be used in Puerto Rico. 336 are in use, of which 23 are due to COVID-19. 134 of those in stock are pediatric ventilators and, of those, 108 are currently available; 29 of those pediatric ventilators are in use, and only one is in use due to COVID-19.

¹⁴ See DOH Website, Aislamiento y Cuarentena (May 12, 2022), <https://www.salud.gov.pr/CMS/DOWNLOAD/6093>

¹⁵ COVID-19 In Figures In Puerto Rico, <https://covid19datos.salud.gov.pr/> (last visited May 17, 2022)

- 296 adult patients are hospitalized due to COVID-19, of whom 41 are in intensive care. 27 pediatric patients are hospitalized due to COVID-19, of whom 2 are in intensive care.
- 4,552 adult beds and 523 pediatric beds are currently in use out of a total 6,867 and 1,211 hospital beds, respectively. Out of the total detailed above, 412 of ICU beds and 22 pediatric ICU beds are currently in use out of a total 573 and 77, respectively.

III. Update on Funding Related to COVID-19 and Disaster Relief Funds

A. Federal Funding under the American Rescue Plan Act

11. As stated in the March Report, the Government continues distributing and seeking to allocate federal assistance funds available under the American Rescue Plan (“ARPA”) pursuant to its strategic plan.

12. On May 3, 2022, the secretary of the Puerto Rico Department of State, and executive director of AAFAF, Mr. Omar Marrero, announced that the period to submit proposals through the Program for the assistance of non-profit organizations—which is funded with ARPA funds to offset the economic impact resulting from the COVID-19 pandemic—was extended until May 30, 2022, and reiterated the requirements for qualification to participate in such program.¹⁶

B. Federal Funding Under the Coronavirus Relief Fund

13. As of May 6, 2022, the Government has disbursed \$2,170,055,708 of the \$2,240,625,864 it has received under the CARES Act’s Coronavirus Relief Fund. AAFAF has published a report detailing the use of these funds and the disbursements made as of May 6, 2022, which is available at COVID-19 Resource Center | AAFAF (pr.gov). *See also* **Exhibit A**.

¹⁶ See AAFAF Press Release, AAFAF Extends ARPA Funding Application Period for Nonprofit Organizations (May 3, 2022), <https://www.aafaf.pr.gov/wp-content/uploads/AAFAF-Ext-ARPA-Fund-for-NGOs.pdf>.

C. Update on Disbursements Under the Emergency Measure Support Package

14. With regard to the COVID-19 Emergency Measure Support Package detailed in the previous reports, as of March 25, 2022, the Government has disbursed \$591.8 million out of the \$787.7 million approved in the package. AAFAF has also published a report detailing the use of these funds and the disbursements made as of March 25, 2022, which is available at [COVID-19 Resource Center | AAFAF \(pr.gov\)](#). *See also* **Exhibit A**.

D. Update on Disaster Relief Funds¹⁷

15. The Government continues to disburse federal aid, and among the various disbursements made, and developments, since the last status report are the following:

- On March 22, 2022, the Government announced it was conducting repairs of certain community aqueducts to provide access to drinking water to more than 2,000 families, through allocations from the Federal Emergency Management Agency (“[FEMA](#)”) for damages resulting from Hurricane María, which funds would be distributed between communities in ten (10) municipalities, namely, Adjuntas, Aguas Buenas, Barranquitas, Caguas, Comerío, Corozal, Naranjito, Ponce, San Lorenzo and Yabucoa.¹⁸ Furthermore, through the Hazard Mitigation Grant Program (“[HMGP](#)”), nearly \$1.8 million were assigned for the first phase of a project to assess the viability of backup-power at 232 vulnerable communities to prevent the interruption of potable water supply to around 100,000 residents.
- On March 29, 2022, the Government announced the construction, with an approximate investment of \$24.5 million from HMGP funds, of a “safe room” for the Department of Public Safety, for the continued operation of safety and emergency agencies during the occurrence of any natural emergencies or disasters, to assure expedited responses during—and as a consequence of—such events.¹⁹
- On that same date, the Government, through the Central Office for Recovery, Reconstruction and Resiliency (“[COR3](#)”), participated in the renowned NEMA 2022 Emergency Management Policy and Leadership Forum, wherein leaders in

¹⁷ The data and information provided herein has been obtained by AAFAF directly from COR3.

¹⁸ See COR3 Press Release, REPAIRS UNDERWAY AT COMMUNITY AQUEDUCTS IN PUERTO RICO (March 22, 2022), <https://recovery.pr.gov/documents/DR-4339-PR%20NR%20530%20Repairs%20Underway%20at%20Community%20Aqueducts%20in%20Puerto%20Rico.pdf>.

¹⁹ See COR3 Press Release, “SAFE ROOM” DEL DEPARTAMENTO DE SEGURIDAD PÚBLICA SE CONSTRUIRÁ EN PREDIOS DEL FIDEICOMISO DE CIENCIA, TECNOLOGÍA E INNOVACIÓN EN RÍO PIEDRAS (March 29, 2022), <https://recovery.pr.gov/en/flexible-page?pageId=11243>.

the field of emergency response confer about new public policy proposals and share initiative ideas.²⁰

- On April 9, 2022, it was further announced that the Government has submitted over twenty four (24) proposals to reconstruct the transmission and distribution system and generation assets. If approved by FEMA, these projects will result in estimated investments of \$87 million and \$47 million, respectively.²¹
- On May 4, 2022, the Government announced the establishment of a *Standard Operating Procedure* (“SOP”) for reimbursements and advances in connection with reconstruction works and that, as part of the implementation of the SOP, the COR3 would offer, commencing on May 11, 2022, virtual seminars to guide and train the public on the use of such procedure. The SOP is part of a series of adjustments in the disbursement procedures to improve and expedite the flow of funds for reconstruction works.²²
- Moreover, on May 5, 2022, the COR3 also held a “Grant Management Contractor Workshop,” an event directed towards contractors for reconstruction projects on behalf of the Commonwealth, municipalities, or non-profit organizations, to assure compliance with all requirements and applicable legislation in their proposals to avoid delays in the development of such works.²³
- On May 9, 2022, the Government announced a historic, first ever approval by FEMA of funding for the first phase of LUMA Energy “Community Streetlight Initiative” (“CSI”)—a multimillion-dollar series of FEMA-funded projects aimed to enhance public safety by replacing thousands of streetlights across Aguada and Maunabo. In total, more than \$1 billion in FEMA funding is expected to be invested to modernize Puerto Rico’s streetlight infrastructure over the next eight (8) years.²⁴

²⁰ See COR3 Press Release, COR3 PARTICIPA POR PRIMERA VEZ EN RECONOCIDO EVENTO SOBRE RECUPERACIÓN Y MANEJO DE EMERGENCIAS (March 29, 2022), <https://recovery.pr.gov/en/flexible-page?pageId=11232>.

²¹ See COR3 Press Release, FEMA EVALÚA VARIOS PROYECTOS DE RECONSTRUCCIÓN DE LA RED ELÉCTRICA (April 9, 2022), <https://recovery.pr.gov/documents/CP%20%20I%20Proyectos%20AEE%20de%20recuperacion%20abril%202022%20Rev%20MMR1.pdf>.

²² See COR3 Press Release, COR3 ESTABLECE PROCEDIMIENTOS PARA UNIFORMAR PROCESO DE REEMBOLSO DE FONDOS PARA PROYECTOS DE RECONSTRUCCIÓN (May 4, 2022), <https://recovery.pr.gov/documents/CP%20SOP%20Grants%20COR3%20mayo%202022.pdf>.

²³ See COR3 Press Release, COR3 CAPACITA CONTRATISTAS SOBRE ASUNTOS TÉCNICOS PARA ALCANZAR MAYOR EFICIENCIA EN PROYECTOS DE RECONSTRUCCIÓN (May 5, 2022), <https://recovery.pr.gov/en/flexible-page?pageId=11589>. The materials provided for such presentation can also be found at https://recovery.pr.gov/documents/COR3_ICF_Grant_Management_Workshop_5May2022_Final_1_PDF.pdf

²⁴ See LUMA Press Release, HISTORIC ANNOUNCEMENT: FIRST LUMA-FEMA TRANSMISSION AND DISTRIBUTION PROJECTS APPROVED TO TRANSFORM PUERTO RICO’S ENERGY GRID (May 9, 2022), https://recovery.pr.gov/documents/CMU_FEMA_approved_projects_ENG__05.09.2022.pdf

- Further, on May 9, 2022, it was announced that (i) a disbursement of \$9,664,525.69 to the municipalities of Caguas, Las Piedras, and Yabucoa, from the Reconstruction Works Fund (“RWF”), which funds were directed to reconstruction projects in Puerto Rico for recovery of damages associated with the passage of Hurricanes Irma and María in 2017 and the earthquakes that commenced in December 2019 and (ii) that the Government and the FOMB approved certain guidelines for the use of \$750M of RWF funds to continue assisting the municipalities.²⁵ Specifically, the amount of \$9.6 million was allocated for different purposes, including reparations to the municipal bridge of Las Piedras, sports parks, highways, a diagnostics and treatment center, and a municipal cemetery, among others. In fact, during the year’s first trimester, COR3 has increased its disbursements, with over \$271 million in reimbursements and advances for recovery and reconstruction projects for damages related to Hurricanes Irma, María, the earthquakes that commenced in December 2019, and the COVID-19 pandemic.²⁶

16. As of May 9, 2022, the United States Congress had appropriated \$78,838,933,025 for Puerto Rico’s recovery efforts. Of this amount, approximately \$66,635,947,705 has been committed by federal agencies for distribution, and \$23,381,843,302—around 30% of the appropriated amounts—has been disbursed. Of the amounts obligated and disbursed, FEMA has committed \$39,689,097,222 and disbursed \$16,088,965,333 (approximately 41%) of the total amounts detailed above. Furthermore, of the amounts obligated and disbursed, other federal agencies that provide financial assistance when major disasters and emergencies occur have approved \$23,707,231,576 and disbursed \$4,139,244,872, approximately 17.5% of the total amounts detailed above. The Government’s use of these funds is detailed on the COR3 website and can be accessed at <https://recovery.pr/en>. *See also Exhibit A.*

²⁵ See AAFAP Press Release, MUNICIPALITIES RECEIVED FIRST DISBURSEMENT OF THE FUND FOR RECONSTRUCTION PROJECTS (May 9, 2022), <https://www.aafaf.pr.gov/wp-content/uploads/Mun-Received-1-Disb-Fund-Recons-Projects.pdf>

²⁶ See COR3 Press Release COR3 aumenta sus desembolsos durante el primer trimestre del año (April 11, 2022), <https://recovery.pr.gov/documents/CP%20Desembolsos%20primer%20trimestre%20abril%202022.pdf>

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Respectfully submitted,

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